

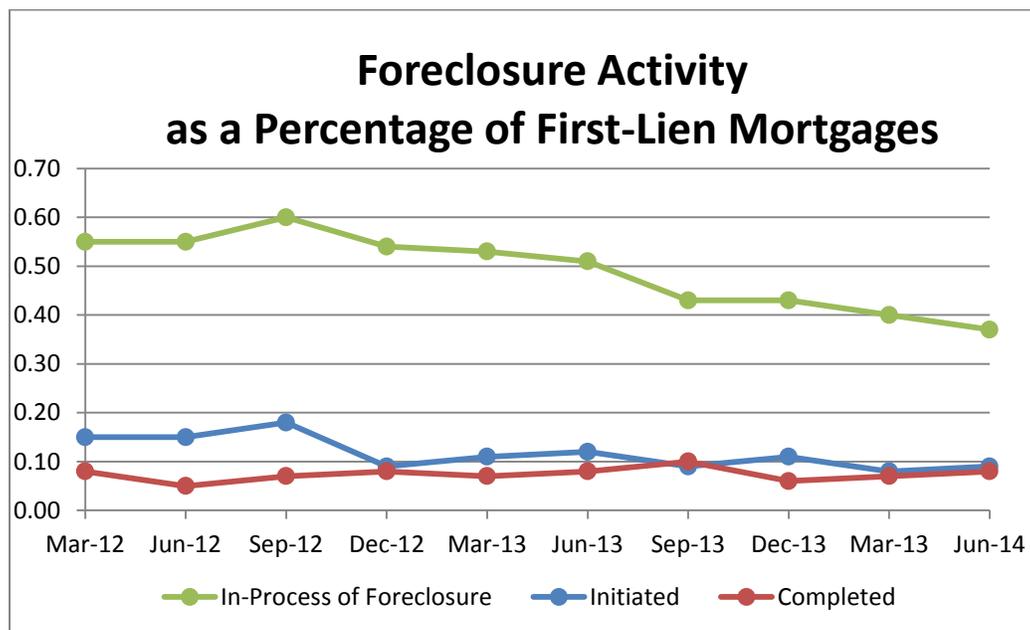


August 12, 2014

***Loans In-process of Foreclosure Hits Five-Year Low
Among Maine's State-Chartered Financial Institutions***

Gardiner – Bureau of Financial Institutions' Superintendent Lloyd P. LaFountain III announced today that loans in-process of foreclosures have reached the lowest percentage level in more than five years and, while the number of completed foreclosures increased this quarter (likely a result of high initiated foreclosures in the 3rd quarter 2012 working through the judicial system), completed foreclosures are expected to decline by year-end 2014.

The Bureau has been surveying the 31 state-chartered banks and credit unions regarding foreclosure activity quarterly since 4th quarter 2006. The data is limited to the 31 financial institutions that have been state-chartered since year-end 2006 through June 2014. It does not include data from entities not regulated by the Bureau, such as federally-chartered banks, federally-chartered credit unions, and mortgage companies licensed to do business in Maine.

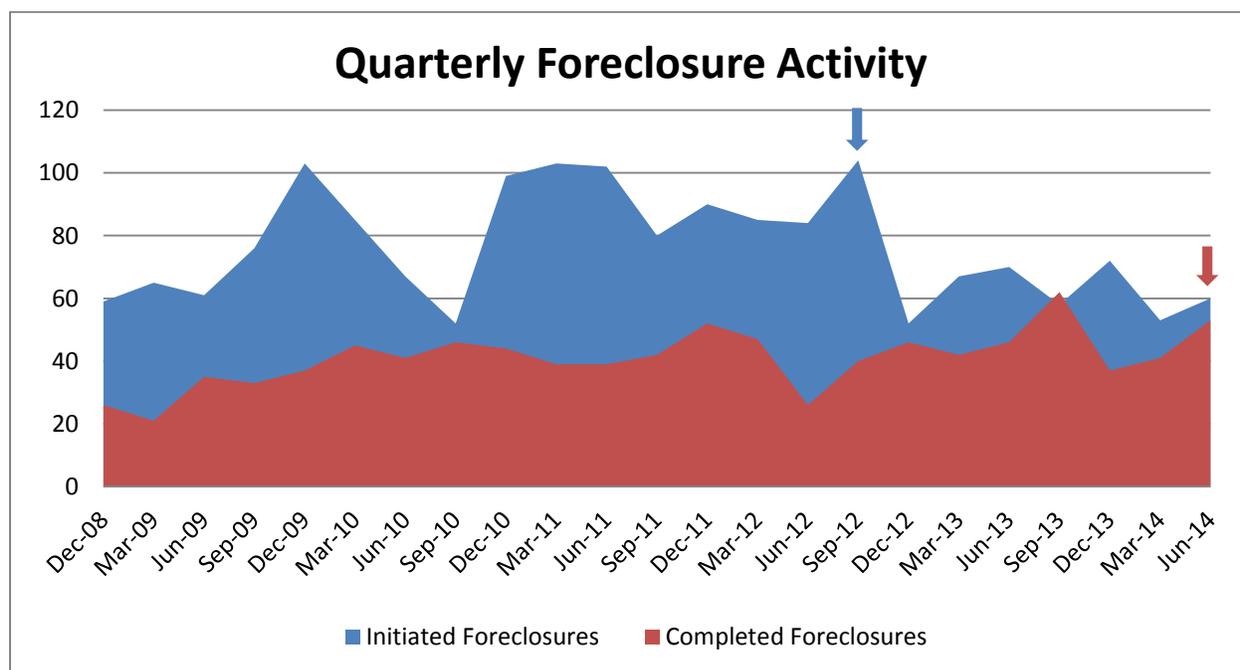


At the close of June 2014, Maine's 31 state-chartered banks and credit unions held 64,000 first-lien mortgages of which 239 were in-process of foreclosure. This level, representing 0.37% of first-lien mortgages, has consistently declined from a recent high of 0.60% reported in the 3rd quarter of 2012. The Foreclosure Activity chart depicts the declining level of first-lien mortgages in-process of foreclosure as well as the level of initiated and completed foreclosures in the past ten quarters. The level of initiated foreclosures reached a high of 0.18%, also in the 3rd quarter of 2012, and has since stabilized near the 0.10% level. The level of completed foreclosures is

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also stable, averaging 0.07% in the past ten quarters and ranging between 0.05% and 0.10%. Refer to the data charts on page three for greater detail.

Initiated foreclosures totaled 60 in the 2nd quarter 2014, representing an increase from the previous quarter but fewer than the 70 filed in the 2nd quarter 2013 and fewer than the prior four quarter average of 63. Completed foreclosures totaled 53 in the 2nd quarter 2014. Loans dropping out of the foreclosure process, including negotiated resolutions and short sales, totaled 19 in the 2nd quarter 2014.



The Quarterly Foreclosure Activity chart displays the volume of initiated and completed foreclosures for each quarter between December 2008 and June 2014. In last quarter's report ([1st Quarter 2014 Foreclosure Release](#)) the Bureau explained that there is a positive correlation between the level of initiated foreclosures and the level of completed foreclosures after a period of 21-24 months. It also reported that the high level of initiated foreclosures (104) reported in the 3rd quarter 2012 suggested an increase in completed foreclosures is expected this year. Completed foreclosures did increase from 41 at March 2014 to 53 at June 2014. If this 21-24 month pattern holds, a decline in completed foreclosures is likely to appear by year-end 2014, but may start as early as next quarter (21-24 months after the decline of initiated foreclosures at year-end 2012).

Early delinquencies (less than 90 days past due) declined from recent periods. The early delinquency ratio of 0.89% at the end of the 2nd quarter 2014 has declined from 1.47% at year-end 2013 and from 1.09% one year earlier. More serious delinquencies (90 days or more past due), representing 0.74% of the first-lien mortgages at the end of the 2nd quarter 2014, continue to show declining trends from the peak of 1.24% at year-end 2010.

Superintendent LaFountain reiterated that "foreclosure activity, while remaining above pre-recession levels, appears to be slowly abating and does not pose a threat to the stability of Maine's state-chartered financial institutions."

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Annually:

1ST REM	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13
Number in Process of Foreclosure at Year-End	148	226	250	306	317	271
Foreclosures Completed YTD	119	126	176	172	159	187
Foreclosures Initiated YTD	201	305	303	375	325	267
Percent of 1 st Lien REM In Process of Foreclosure at Year-End	0.31%	0.48%	0.52%	0.55%	0.54%	0.43%
Percent of Foreclosures Completed YTD to Average 1 st Lien REM	0.25%	0.27%	0.37%	0.34%	0.28%	0.31%
Percent of Foreclosures Initiated YTD to Average 1 st Lien REM	0.42%	0.64%	0.64%	0.73%	0.57%	0.44%

Quarterly:

1ST REM	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
Number in Process of Foreclosure at Quarter-End	307	266	271	251	239
Foreclosures Completed During the Quarter	46	62	37	41	53
Foreclosures Initiated During the Quarter	70	58	72	53	60
Percent of 1 st Lien REM In Process of Foreclosure at Quarter-End	0.51%	0.43%	0.43%	0.40%	0.37%
Percent of Foreclosures Completed During the Quarter to 1 st Lien REM	0.08%	0.10%	0.06%	0.07%	0.08%
Percent of Foreclosures Initiated During the Quarter to 1 st Lien REM	0.12%	0.09%	0.11%	0.08%	0.09%